(d) Small scale units are eligible for general Small Scale Industries (SSI) exemption scheme wherein eligible units are fully exempted from excise duty upto clearances of Rs. 1 crore.

Revival of ship recycling industries

2621. SHRI VIJAYKUMAR RUPANI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that ship recycling industries in the country are passing through recession;

(b) if so, what are the steps Government propose to take for revival of the industries;

(c) whether any proposal has been received from the State Government of Gujarat to reduce the Customs duties on ships coming for breaking;

(d) if so,what is Government's decision therefor;

(e) whether ships coming for scrap are diverted to other neighbouring countries because of higher structure in India; and

(f) if so, whether there is any proposal to reduce the duties on imported ships?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) It has been represented to the Government that ship recycling industry in the country is passing through recession.

(b) Following steps have been taken by Government for revival of ship recycling industry:

(i) Ships imported for breaking have been exempted from the additional duty of 4% which is applicable to almost all items of imports.

(ii) 5% customs duty (earlier it was 0%) has been imposed on melting scrap bringing it at par with duty on import of ships.

In addition to the above, following steps are being taken by Government of Gujarat:

(i) In Alang/Sosiya ship recycling yards, where about 90% of the country's ship recycling activity takes places, the Gujarat Maritime Board (GMB) has developed adequate physical, social, health and environmental infrastructure and it has plans to develop more facilities like reception jetty and general berth which will help in safer and quick cutting of ships.

(ii) GMB has also framed a new comprehensive policy giving certain concession to ship breaking industry, which is under consideration of Government of Gujarat.

(c) The Government had received a request from Government of Gujarat, seeking reduction in customs duty on ships imported for breaking-up.

(d) Taking into consideration all the relevant factors, the Government has decided not to make any change in customs duty on ships imported for breaking-up.

(e) Favourable duty structure in the neighbouring countries may be one of the reasons for decline in ship breaking activity in India.

(f) No Sir.

Black money in real estate transactions

2622. DR. (SHRIMATI) NAJMA A. HEPTULLA: Will the Minister of FINANCE be pleased to state:

(a) what is Government's assessment of the black money involved in the real estate transactions in the country, particularly in metropolitan cities;

(b) the steps taken by his Ministry during the past 2-3 years to check this trend; and

(c) the steps proposed in this regard now?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Instances of black money generation do come to the notice of the Government during the course of enquiry/ investigation carried out by it. However, there is no formal estimate of the amount of black money involved in real estate transactions in the country, including in the metropolitan cities.

(b) In order to intensify the effort of checking tax evasion in real estate transactions, several legislative measures have been taken in the recent past. (i) Section 50C of the Income Tax Act, 1961, which was introduced from 1st April, 2003, provides that where the sale consideration received by the assessee is less than the value of the sold property assessed by the State Government 'Stamp Valuation Authority', the Income-tax Department will adopt the higher value as the full sale value received for purposes of computation of capital gains. (ii) With a view to curb the tendency of evading taxes by not reporting the income comprised in compensation